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Riverside County: Jeff Stone, Riverside County
- Thomas Buckley, Lake Elsinore - Bonnie Flickinger, Moreno Valley - Ron Loveridge, Riverside - Greg Pettis, Cathedral City - Ron Roberts, Temecula

San Bernardino County: Gary Ovitt, San Bernardino County • Lawrence Dale, Barstow • Paul Eaton, Montclair • Lee Ann Garcia, Grand Terrace • Tim Jasper, Town of Apple Valley • Larry McCallon, Highland • Deborah Robertson, Rialto • Alan Wapner, Ontario

Ventura County: Linda Parks, Ventura County
Glen Becerra, Simi Valley • Carl Morehouse,
San Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Art Brown, Buena Park

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

GOODS MOVEMENT TASK FORCE

Wednesday, May 30, 2007 9:30 a.m. – 11:30 a.m.

SCAG Offices 818 West 7th Street, 12th Floor Conference Room San Bernardino Los Angeles, CA 90017 213,236,1800

VIDEO CONFERENCE LOCATION

SCAG Inland Empire Office 3600 Lime Street, Suite 216 Riverside, CA 92501

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Mike Jones at 213.236.1978 or jonesm@scag.ca.gov

Agendas and Minutes for the Goods Movement Task Force are also available at:

http://scag.ca.gov/goodsmove/

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GOODS MOVEMENT TASK FORCE



"Any item listed on the agenda (action or information) may be acted upon at the discretion of the Committee".

1.0 <u>CALL TO ORDER & PLEDGE</u> <u>OF ALLEGIANCE</u>

Hon. Art Brown, Chair

2.0 PUBLIC COMMENT PERIOD

Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of this committee, must fill out a speaker's card prior to speaking and submit it to the Staff Assistant. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.

3.0 REVIEW and PRIORITIZE AGENDA ITEMS

4.0 CONSENT CALENDAR

- 4.1 Approval Items
 - 4.1.1 Minutes of March 21, 2007 Meeting
 Attachment

5.0 INFORMATION ITEMS

5.1 SB 974 (Lowenthal):Ports:Container Fees Attachment Jeffrey Dunn, p. 7 10 minutes SCAG Staff

Update on Senate Bill 974 (Lowenthal):Ports:Container Fees

5.2 <u>RTP Update - Goods Movement</u> **Ms. Sarah Catz p. 30** 15 minutes Existing Conditions

Attachment

Overview of existing goods movement conditions in the SCAG region and RTP timeline

GOODS MOVEMENT TASK FORCE

AGENDA

5.3 <u>Inland Port Feasiblity Study</u> Gary Hamrick, pg. 45 20 minutes
Attachment Iteris, Inc.

Update on site search activities for the Inland Port Feasibility Study

5.4 <u>High Speed Rail Transport System</u>
Attachment

David Chow, p. 78 20 minutes
Director,
IBI Group

Overview of the High Speed Rail Transportation concept and preliminary financial results

6.0 <u>COMMENT PERIOD</u>

7.0 <u>NEXT MEETING</u>

The date of the next Goods Movement Task Force meeting will be June 20, 2007.

8.0 ADJOURNMENT

GOODS MOVEMENT TASK FORCE of the SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

March 21, 2007 Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE GOODS MOVEMENT TASK FORCE. AN AUDIOCASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Goods Movement Task Force held its meeting at the SCAG office in Los Angeles. The meeting was called to order by the Honorable Art Brown, Chair, City of Buena Park.

Members Present

Steve Adams City of Riverside Baldwin, Harry San Gabriel

Berner, Jane L.A. City, Council Dist. 13

Bhuelan, Shefa
Caltrans Dist. 8
Bone, Lou
City of Tustin
Boston, Medgar
TASC/BT&H
City of Buena Park

Carpenter, Jeff CRA-LA Catz, Sarah UC Irvine

Capelle, Joanna SCRRA/Metrolink
Lawrence Dale City of Barstow
Daniels, Gene City of Paramount

Robert Farley MTA
Farrington, Carl SCIC

Flickinger, Bonnie City of Moreno Valley

Goodwin, Art ACTA

Greenwald, Peter South Coast AQMD

Herrera, Carol SGVCOG Hicks, Gil CALMITSAC

Hricko, Andrea USC

Lee, Frances Caltrans Dist. 7

Lai, SuePOLALogan, AngeloEYCEJLove, TanyaRCTC

Dominic Meo III Meo and Associates

Michael McCoy RTA

Morrissey, Sam Wilbur Smith & Assoc.

Neely, Sharon ACE/SGVCOG

Nordahl, Richard Caltrans

GOODS MOVEMENT TASK FORCE of the SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

March 21, 2007 Minutes

Okurowski, Peter California Environmental Associates

Pfeffer, Nancy Network Public Affairs

Saunders, Christine POLA
Smith, Michelle Metro
Steve Smith SANBAG

Szerlip, Don City of Redondo Beach Veniems, Marianne METRANS/CSULB Wade, Kathleen Caltrans Dist. 7

1.0 CALL TO ORDER

The Hon. Art Brown, Chair, called the meeting to order at 9:36 a.m.

2.0 PUBLIC COMMENT PERIOD

There were no public comments

3.0 REVIEW and PRIORITIZE AGENDA ITEMS

4.0 <u>CONSENT CALENDAR</u>

4.1 Approval Item

4.1.1 <u>January 17, 2007 Minutes</u>

Two corrections on page 3, Bonnie Flickinger should read City of Moreno Valley and Carol Corerraz, SGVCOG, should read Carol Herrera.

A **MOTION** was made to approve the Consent Calendar with the corrections. The **MOTION** was **SECONDED** and **APPROVED**.

5.0 <u>INFORMATION ITEMS</u>

March 21, 2007 Minutes

5.1 Multi-County Goods Movement Action Plan Update

Michelle Smith, Metro, stated that Metro and the project partners were reviewing a working draft of the Multi-County Goods Movement Action Plan. Metro did not anticipate the level of effort required for reviewing and editing the working draft. Metro's consultant, Wilbur Smith Associates, planned to come back with a review of the final draft of the action plan at the next Goods Movement Task Force meeting. In April, Metro planned to hold a Stakeholder Advisory Group meeting. Following the meeting, the draft would be released and workshops would be held. Ms. Smith noted that a draft of the action plan made available at the recent consensus trip to Washington by one of the project partners was not the final draft nor for public distribution.

Andrea Hricko, USC, stated that she had raised some questions at the past meeting that was held in Brea about the Multi-County Goods Movement Action Plan. Ms. Hricko suggested including a detailed description of the health impacts in the Multi-County Goods Movement Action Plan and offered submission of a CD for consideration. The consultant said that a very detailed section on health impacts would be included in the report. Currently, only one slide from a presentation at SCAG's Goods Movement Task Force that evolved from USC appeared on Metro's website.

Ms. Hricko said that Dr. John Husing made a presentation at the Brea meeting about the value to the economy of goods movement jobs based on his analysis. In response to raised questions, Dr. Husing said that economic impacts including noise and pavement cost needed to be looked at. This was not included in the posted draft. Ms. Hricko said that there was a 3-hour session at MTA on goods movement that ended with County Supervisor Don Knabe stating that only one person was in the audience representing public health, community, and/or environmental concerns. Ms. Hricko stated that environmental groups or stakeholders were not notified of the meeting about the MTA meeting and suggested that interface among MTA, SCAG, and other groups that have an interest in this issue should be improved.

Ms. Smith responded that the action plan would address the USC air pollution and public health impact study more thoroughly.

5.2 State Goods Movement Action Plan

March 21, 2007 Minutes

Richard Nordahl, Caltrans Office of Goods Movement, gave an explanation of the State Goods Movement Action Plan and the Trade Corridor Improvement Fund. He urged SCAG to be involved in the process of the advancement of the Trade Corridor Improvement Fund. The State Goods Movement Action Plan was a joint effort of the Business, Transportation and Housing Agency and CalEPA with help from Caltrans and the Air Resources Board. The goal was to create a comprehensive open process to achieve maximum stakeholder input.

The Goods Movement Action Plan is a two phase project. The first phase was meant to identify goods movement and health impacts. It addressed the questions of "what" and "why" and contained an inventory of goods movement needs. The key principle of the plan was that simultaneous and continuous improvements be implemented in infrastructure and environmental mitigation. The plan contained four port-to-border regions: Los Angeles/Inland Empire, the San Diego border area, the Bay area, and the Central Valley. The plan was intended to build a higher level of trust and understanding concerning goods movement.

The Trade Corridor Improvement Fund could be used to fund highway projects, rail projects, port projects, and border access projects. The timeline for the development of the guidelines of the Fund was set to be completed in June/July 2007. The projects would be solicited in Fall 2007 with the entire process to be completed in March 2008.

5.3 CALMISTAC Report

Gill Hicks, Gill Hicks & Associates, Inc., provided an overview of the California Marine and Intermodal Transportation System Advisory Council (CALMITSAC). The focus of CALMITSAC is the ports and harbors of California along with the inland rail and highway networks in relation to those ports. Approximately thirty organizations were represented by the council. The report looked at environmental and health impacts related to goods movement. The report noted the infrastructure needs of various environmental improvement plans and looked at port and maritime security. The report included information pertaining to funding, project delivery, and economic effects. The aggressive efforts of the Ports of Los Angeles and Long Beach to implement the Clean Air Action Plan through the replacement of highly polluting trucks with cleaner vehicles over five years were also recognized.

5.4 2007/2008 RTP

March 21, 2007 Minutes

Naresh Amatya, SCAG, reported that the Regional Council recently adopted the Gap Analysis, an amendment to the 2004 RTP to bring the current RTP into compliance with SAFETEA-LU requirements. The amendment had been forwarded to the federal agencies for certification.

The second piece of work underway with the RTP was an amendment to the 2004 RTP to reflect project changes from the CMIA program. The due date for that amendment was July 1, 2007. Mr. Amatya said that the next challenge related to the RTP was the improvement of the Regional Transportation Demand Model used to predict the mobility and conformity needs of the region. Staff hoped to bring forward preliminary results of its Needs Assessment Exercise to the TCC in June or July and request the TCC to authorize SCAG to release the draft for 45 day public review and comment period in October.

Mr. Amatya also said that the Air Quality Management Plan (AQMP) establishes the pollutants budgets that require RTP compliance including ozone, PM2.5, and PM10. Critical timing issues exist and staff will reconcile current numbers with the final numbers that are adopted as the accepted State Implementation Plan (SIP).

5.0 STAFF REPORT

An announcement was made about the 2007 Aviation Summit sponsored by the Ontario Chamber of Commerce & LAWA, March 27. The Committee was encouraged to attend.

6.0 COMMENT PERIOD

Sharon Neely, ACE, requested that SB-974 (Lowenthal) be placed on the agenda at the next meeting of the GMTF.

Art Brown, Chair, stated that he accepted the MOTION to recommend to the TCC that they strongly support the Goods Movement Action Plan from the State.

Motion was SECONDED and Approved with two opposition votes.

Don Szerlip, Redondo Beach, stated that he attend an air freight program sponsored by MeTrans which included a tour of an air freight facility at LAX. Mr. Szerlip said it was fascinating to learn how many hands the cargo went through and how many truck trips were involved in handling of each single piece, as many as 5-10 truck trips per individual

March 21, 2007 Minutes

piece of cargo that end up on a 747 flying out of LAX. He stated that this was the hidden side of goods movement not always recognized in the overall goods movement out of regional ports.

Angelo Logan, EYCEJ stated that despite supporting the principles of the State Goods Movement Action Plan effort, some concerns about specific projects existed.

Chair Brown opted to reconsider the previous MOTION and made a new MOTION to forward the State's Goods Movement Action Plan to the TCC and allow the TCC to assume whatever position they deemed appropriate. MOTION was SECONDED and UNAMIOUSLY approved.

Dates for the next meeting of the CTC Trade Corridor Improvement Fund Working Group that were given earlier in the meeting were corrected to reflect April 13, May 18, and June 15.

7.0 <u>ADJOURNMENT</u>

The Hon. Art Brown adjourned the meeting at 11:40 a.m.

The next committee meeting will be determined.

MEMO

DATE: May 30, 2007

TO: Goods Movement Task Force

FROM: Mike Jones, SCAG Staff, (213) 236-1978, jonesm@scag.ca.gov

SUBJECT: SB 974 (Lowenthal): Ports: Container Fees

BACKGROUND:

SB 974 would require the Ports of Los Angeles, Long Beach, and Oakland to collect a user fee on the owner of container cargo moving through these ports at the rate of \$30 per 'twenty-foot equivalent unit' (TEU). The bill would require the Ports of Los Angeles and Long Beach to transmit ½ of the funds derived from the fee to the Southern California Port Congestion Relief Trust Fund "Congestion Fund", and ½ to the Southern California Port Mitigation Relief Trust Fund, "Mitigation Fund". The bill establishes corresponding funds for Northern California from the fees collected by the Port of Oakland. All fees collected from the Southern California Ports stay in the Southern California Funds, and all fees collected from the Port of Oakland stay in the Northern California Funds.

The bill authorizes the California Transportation Commission (CTC) to allocate monies from the Congestion Fund for projects that improve the overall efficiency of container cargo movement to and from the ports by improving the rail system and container transportation systems that transport container cargo to and from these ports, and by improving on-dock rail facilities at these ports. The bill directs the CTC, in awarding infrastructure projects, to give priority to projects that have been designed to reduce air pollution and environmental impacts to local communities, to assist in attaining state and federal air quality goals and enhance environmental performance while addressing the overall efficiency of container cargo movement.

The bill authorizes the State Air Resources Board (ARB) to allocate funds from the Mitigation Fund for projects that reduce air pollution caused by the movement of container cargo to and from these ports. Projects must be designed to reduce air pollution to reach federal air quality attainment standards and to meet the goals of the Air Board's Emission Reduction Plan. The bill directs ARB to work with the South Coast Air Quality Management District (SCAQMD) and the ports to ensure that projects within the San Pedro Bay Clean Air Action Plan are completed/implemented and allows ARB to provide funding directly to the SCAQMD or the ports.



AMENDED IN SENATE APRIL 30, 2007 AMENDED IN SENATE APRIL 9, 2007

SENATE BILL

No. 974

Introduced by Senator Lowenthal

(Principal coauthor: Assembly Member De La Torre) (Coauthors: Assembly Members Carter and Karnette)

February 23, 2007

An *act* to add Article 10 (commencing with Section 63049.70) to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to amend and renumber Section 1760 of, to add a heading to Chapter 1 (commencing with Section 1720) of, and to add Chapter 2 (commencing with Section 1740) to, Part 2 of Division 6 of, the Harbors and Navigation Code, relating to ports, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 974, as amended, Lowenthal. Ports: congestion relief: environmental mitigation: regulatory fee.

(1) Existing law regulates the operation of ports and harbors.

This bill would require the Ports of Los Angeles, Long Beach, and Oakland to collect a user fee on the owner of container cargo moving through the Port of Los Angeles, the Port of Long Beach, or the Port of Oakland at a rate of \$30 per twenty-foot equivalent unit (TEU).

The bill would require the Ports of Los Angeles and Long Beach to transmit $\frac{1}{2}$ of the funds derived from imposition of the fee to the Southern California Port Congestion Relief Trust Fund, which the bill would establish in the State Treasury, and $\frac{1}{2}$ to the Southern California Port Mitigation Relief Trust Fund, which the bill would establish in the State Treasury. The bill would require the Port of Oakland to transmit $\frac{1}{2}$ of the funds derived from imposition of the fee to the Northern

SB 974 — 2—

California Port Congestion Relief Trust Fund, which the bill would establish in the State Treasury, and ½ to the Northern California Port Mitigation Relief Trust Fund, which the bill would establish in the State Treasury.

The bill would require the moneys transmitted to the Southern California Port Congestion Relief Trust Fund and the Northern California Port Congestion Relief Trust Fund to be available, upon appropriation, for expenditure by the California Transportation Commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from those ports, and funding the administrative costs of this program. The bill would prohibit moneys deposited in those funds from being loaned or transferred to, or allocated or appropriated in any other way to, the General Fund. The bill would prohibit the commission from using the funds to construct, maintain, or improve highways, with certain exceptions.

The bill would require the moneys transmitted to the Southern California Port Mitigation Relief Trust Fund and the Northern California Port Mitigation Relief Trust Fund to be available, upon appropriation, for expenditure by the State Air Resources Board to develop a list of projects to mitigate environmental pollution caused by the movement of cargo to and from those ports, and for the administration of this program. The bill would prohibit moneys deposited in those funds from being loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

The bill would establish a state-mandated local program by imposing these additional duties upon the ports.

(2) Existing law sets forth the duties of the Infrastructure and Economic Development Bank and its board of directors generally in performing various financing transactions, including the issuance of bonds.

This bill would authorize the bank to enter into financing agreements with participating parties to finance or refinance Southern California and Northern California port congestion relief projects and Southern California and Northern California port mitigation relief projects. The bank would be authorized to issue revenue bonds. User fees on container ships from the Southern and Northern California Port Congestion Relief Trust Funds and the Southern and Northern California Mitigation Relief Trust Funds would be continuously appropriated to the bank to secure any revenue bonds.

3 SB 974

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Article 10 (commencing with Section 63049.70) is added to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to read:

Article 10. Financing of Port Congestion Relief and Port Mitigation Relief

- 63049.70. The definitions contained in this section are in addition to the definitions contained in Section 63010 and together with the definitions contained in that section shall govern the construction of this article, unless the context requires otherwise:
- (a) "Credit facility" means all obligations, including principal, interest, fees, costs, indemnities, and all other amounts incurred by the bank under or in connection with any credit enhancement or liquidity agreement, including a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement entered into by the bank.
- (b) "Northern California port congestion relief container fee revenue" means all of the following:
- (1) Income and receipts derived by the bank from Northern California port congestion relief container fees.
- (2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Northern California Port Congestion Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.
- (A) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to

SB 974 —4—

hold the proceeds of a drawing on any liquidity or credit support
facility for these bonds.

- (B) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.
- (c) "Northern California Port Congestion Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Northern California port congestion relief container fee revenue.
- (d) "Northern California port congestion relief container fees" means all user fees that are imposed pursuant to Section 1747 of the Harbors and Navigation Code and remitted to the Northern California Port Congestion Relief Trust Fund in the State Treasury.
- (e) "Northern California port congestion relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the California Transportation Commission pursuant to Section 1751 of the Harbors and Navigation Code.
- (f) "Northern California port mitigation relief container fee revenue" means all of the following:
- (1) Income and receipts derived by the bank from Northern California port mitigation relief container fees.
- (2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Northern California Port Mitigation Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.
- (A) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.
- (B) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.
- (g) "Northern California Port Mitigation Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Northern California port mitigation relief container fee revenue.
- 38 (h) "Northern California port mitigation relief container fees" 39 means all user fees that are imposed pursuant to Section 1747 of

5 SB 974

the Harbors and Navigation Code and remitted to the Northern California Port Mitigation Relief Trust Fund in the State Treasury.

- (i) "Northern California port mitigation relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the State Air Resources Board pursuant to Section 1753 of the Harbors and Navigation Code.
- (j) "Southern California port congestion relief container fee revenue" means all of the following:
- (1) Income and receipts derived by the bank from Southern California port congestion relief container fees.
- (2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Southern California Port Congestion Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.
- (A) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.
- (B) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.
- (k) "Southern California Port Congestion Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Southern California port congestion relief container fee revenue.
- (*l*) "Southern California port congestion relief container fees" means all user fees that are imposed pursuant to Sections 1745 and 1746 of the Harbors and Navigation Code and remitted to the Southern California Port Congestion Relief Trust Fund in the State Treasury.
- (m) "Southern California port congestion relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the California Transportation Commission pursuant to Section 1750 of the Harbors and Navigation Code.
- (n) "Southern California port mitigation relief container fee revenue" means all of the following:

SB 974 -6-

(1) Income and receipts derived by the bank from Southern California port mitigation relief container fees.

- (2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Southern California Port Mitigation Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.
- (3) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.
- (4) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.
- (o) "Southern California Port Mitigation Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Southern California port mitigation relief container fee revenue.
- (p) "Southern California port mitigation relief container fees" means all user fees that are imposed pursuant to Sections 1745 and 1746 of the Harbors and Navigation Code and remitted to the Southern California Port Mitigation Relief Trust Fund in the State Treasury.
- (q) "Southern California port mitigation *relief* project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the State Air Resources Board pursuant to Section 1752 of the Harbors and Navigation Code.
- 63049.71. (a) The bank may enter into financing agreements with participating parties for the purpose of financing or refinancing Southern California port congestion relief projects and Southern California port mitigation relief projects.
- (b) The bank may issue bonds pursuant to this chapter as Southern California Port Congestion Relief Container Fee Revenue Bonds to finance or refinance Southern California port congestion relief projects and as Southern California Port Mitigation Relief Container Fee Revenue Bonds to finance or refinance Southern California port mitigation relief projects. The aggregate principal amount of the bonds that may be issued is unlimited, but the aggregate principal amount of the bonds that may be outstanding

7 SB 974

at any one time is five billion dollars (\$5,000,000,000). The revenue bonds may also be issued to finance necessary reserves, capitalized interest, credit enhancement costs, and costs of issuance of the revenue bonds. The last date for payment of principal of any revenue bond may not be more than 30 years after the date of issuance of the revenue bond.

- (c) Principal of and interest and redemption premiums on Southern California Port Congestion Relief Container Fee Revenue Bonds and Southern California Port Mitigation Relief Container Fee Revenue Bonds shall be payable from, and secured by, Southern California port congestion relief container fee revenue and Southern California port mitigation relief container fee revenue, respectively, as and to the extent provided in the constituent instruments defining the rights of the holders of the bonds.
- 63049.72. (a) The bank may enter into financing agreements with participating parties for the purpose of financing or refinancing Northern California port congestion relief projects and Northern California port mitigation relief projects.
- (b) The bank may issue bonds pursuant to this chapter as Northern California Port Congestion Relief Container Fee Revenue Bonds to finance or refinance Northern California port congestion relief projects and as Northern California Port Mitigation Relief Container Fee Revenue Bonds to finance or refinance Northern California port mitigation relief projects. The aggregate principal amount of the bonds that may be issued is unlimited, but the aggregate principal amount of the bonds that may be outstanding at any one time is five billion dollars (\$5,000,000,000). The revenue bonds may also be issued to finance necessary reserves, capitalized interest, credit enhancement costs, and costs of issuance of the revenue bonds. The last date for payment of principal of any revenue bond may not be more than 30 years after the date of issuance of the revenue bond.
- (c) Principal of and interest and redemption premiums on Northern California Port Congestion Relief Container Fee Revenue Bonds and Northern California Port Mitigation Relief Container Fee Revenue Bonds shall be payable from, and secured by, Northern California port congestion relief container fee revenue and Northern California port mitigation relief container fee revenue,

SB 974 —8—

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respectively, all as and to the extent provided in the constituent instruments defining the rights of the holders of the bonds.

3 63049.73. (a) The bank may pledge all or any portion of the 4 Southern California port congestion relief container fees to secure 5 Southern California Port Congestion Relief Container Fee Revenue Bonds, and credit facilities for these bonds, and all or any portion 6 7 of the Southern California port mitigation relief container fees to 8 secure Southern California Port Mitigation Relief Container Fee Revenue Bonds, and credit facilities for these bonds. All Southern California port congestion relief container fees and Southern 10 California port mitigation relief container fees so pledged are 11 12 hereby continuously appropriated, notwithstanding Section 13340, 13 without regard to fiscal years, to the bank, and, if the bank so 14 directs, shall be paid to the indenture trustee for these bonds each 15 month, from the Southern California Port Congestion Relief Trust Fund and the Southern California Port Mitigation Relief Trust 16 17 Fund for so long as any of the bonds are outstanding. Any Southern 18 California port congestion relief container fees and Southern 19 California port mitigation relief container fees that are not required to be retained by the indenture trustee pursuant to the constituent 20 21 instruments defining the rights of the holders of the bonds shall 22 be remitted by the indenture trustee to the Southern California Port 23 Congestion Relief Trust Fund and the Southern California Port 24 Mitigation Relief Trust Fund and shall be disbursed at the request 25 and direction of the California Transportation Commission and 26 the State Air Resources Board, respectively, for Southern California 27 port congestion relief projects and Southern California port 28 mitigation relief projects that are not being financed with revenue 29 bonds issued by the bank, and these funds are hereby continuously 30 appropriated, notwithstanding Section 13340, without regard to 31 fiscal years, for that purpose.

(b) The state hereby pledges to and agrees with the holders of revenue bonds issued pursuant to this article, and each provider of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement for the benefit of the revenue bonds, that the state will not limit, alter, or restrict each pledge of Southern California port congestion relief container fees and Southern California port mitigation relief container fees permitted hereby and any other terms of any agreement made with or for the benefit of the holders of the

9 SB 974

revenue bonds or the providers or in any way impair the rights or remedies of the holders of the bonds or the providers or reduce or terminate the fees while any *of* the bonds remain outstanding.

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4 63049.74. (a) The bank may pledge all or any portion of the 5 Northern California port congestion relief container fees to secure 6 Northern California Port Congestion Relief Container Fee Revenue 7 Bonds, and credit facilities for these bonds, and all or any portion 8 of the Northern California port mitigation relief container fees to 9 secure Northern California Port Mitigation Relief Container Fee 10 Revenue Bonds, and credit facilities for these bonds. All Northern 11 California port congestion relief container fees and Northern 12 California port mitigation relief container fees so pledged are 13 hereby continuously appropriated, notwithstanding Section 13340, without regard to fiscal years, to the bank, and, if the bank so 14 15 directs, shall be paid to the indenture trustee for the bonds each 16 month, from the Northern California Port Congestion Relief Trust 17 Fund and the Northern California Port Mitigation Relief Trust 18 Fund for so long as any of the bonds are outstanding. Any Northern 19 California port congestion relief container fees and Northern 20 California port mitigation relief container fees that are not required 21 to be retained by the indenture trustee pursuant to the constituent 22 instruments defining the rights of the holders of the bonds shall 23 be remitted by the indenture trustee to the Northern California Port 24 Congestion Relief Trust Fund and the Northern California Port 25 Mitigation Relief Trust Fund and shall be disbursed at the request 26 and direction of the California Transportation Commission and 27 the State Air Resources Board, respectively, for Northern California 28 port congestion relief projects and Northern California port 29 mitigation relief projects that are not being financed with revenue 30 bonds issued by the bank, and these funds are hereby continuously 31 appropriated, notwithstanding Section 13340, without regard to 32 fiscal years, for that purpose. 33

(b) The state hereby pledges to and agrees with the holders of revenue bonds issued pursuant to this article, and each provider of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement for the benefit of the revenue bonds, that the state will not limit, alter, or restrict each pledge of Northern California port congestion relief container fees and Northern California port mitigation relief container fees permitted hereby and any other terms of any

SB 974 -10-

agreement made with or for the benefit of the holders of the revenue bonds or the providers or in any way impair the rights or remedies of the holders of the bonds or the providers or reduce or terminate the fees while any *of* the bonds remain outstanding.

63049.75. Notwithstanding any other provision of law, Article 3 (commencing with Section 63040), Article 4 (commencing with Section 63042), and Article 5 (commencing with Section 63043) of this chapter do not apply to any financing provided by the bank pursuant to this article, and the principal amount of revenue bonds issued pursuant to this article and Chapter 5 (commencing with Section 63070) shall not count against the limit stated in the first sentence of subdivision (b) of Section 63071.

SEC. 2. The heading of Chapter 1 (commencing with Section 1720) is added to Part 2 of Division 6 of the Harbors and Navigation Code, immediately preceding Section 1720, to read:

CHAPTER 1. PORT FACILITY CONSTRUCTION

SEC. 3. Chapter 2 (commencing with Section 1740) is added to Part 2 of Division 6 of the Harbors and Navigation Code, to read:

Chapter 2. Port Congestion Relief and Port Mitigation Relief

Article 1. General Provisions

- 1740. The Legislature hereby finds and declares all of the following:
- (a) There is a need to mitigate the enormous burden imposed on the highway transportation system serving the Ports of Los Angeles, Long Beach, and Oakland by the overland movement of cargo shipped from and to those ports.
- (b) The operation of the ports causes environmental pollution that requires mitigation.
- (c) The improvement of goods movement infrastructure would benefit the owners of container cargo moving through the ports by allowing the owners of the cargo to move container cargo more efficiently and to move more cargo through those ports.

-11- SB 974

(d) The reduction of goods movement pollution would benefit the owners of container cargo moving through the ports by meeting federal air quality standards, which will allow for continued federal funding of goods movement infrastructure projects.

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- (e) Accordingly, it is the intent of the Legislature to alleviate these burdens by imposing a fee on shipping containers processed through those ports and using the funds derived from that fee to do both of the following:
- (1) Improve the rail system that serves as an alternative to shipping on the highway by commercial vehicle, including, but not limited to, the ondock rail facilities at those ports.
- (2) Mitigate the environmental pollution caused by port operations.
 - 1741. (a) There is hereby established in the State Treasury the Southern California Port Congestion Relief Trust Fund.
 - (b) There is hereby established in the State Treasury the Southern California Port Mitigation Relief Trust Fund.
 - (c) There is hereby established in the State Treasury the Northern California Port Congestion Relief Trust Fund.
- 20 (d) There is hereby established in the State Treasury the 21 Northern California Port Mitigation Relief Trust Fund.
 - 1743. For purposes of this chapter, the following definitions apply:
 - (a) "Board" means the State Air Resources Board.
- 25 (b) "Commission" means the California Transportation 26 Commission.
- (c) "Northern California Congestion Fund" means the Northern
 California Port Congestion Relief Trust Fund.
 - (d) "Northern California Mitigation Fund" means the Northern California Port Mitigation Relief Trust Fund.
- (e) "Port" means the Port of Los Angeles, Port of Long Beach,or Port of Oakland, as appropriate.
- (f) "Southern California Congestion Fund" means the Southern
 California Port Congestion Relief Trust Fund.
- (g) "Southern California Mitigation Fund" means the SouthernCalifornia Port Mitigation Relief Trust Fund.

SB 974 — 12 —

Article 2. User Fee

- 1745. (a) Beginning January 1, 2008, the Port of Los Angeles shall develop a process for notifying the owner of, and collecting a user fee from the owner of, container cargo moving through the port.
- (b) No later than June 1, 2008, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed thirty dollars (\$30) per-twenty-foot 20-foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port.
- (c) Beginning January 1, 2009, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed thirty dollars (\$30) per TEU. The port shall collect the fee at least twice a year.
- (1) The port shall remit one-half of the user fee to the Southern California Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Port of Los Angeles, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (2) The port shall remit one-half of the user fee to the Southern California Mitigation Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the board to mitigate environmental pollution caused by the movement of cargo to and from the Port of Los Angeles by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (d) The port may contract with PierPass for the collection of the user fee authorized pursuant to this section.

__13__ SB 974

1746. (a) Beginning January 1, 2008, the Port of Long Beach shall develop a process for notifying the owner of, and collecting a user fee from the owner of, container cargo moving through the port.

- (b) No later than June 1, 2008, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed thirty dollars (\$30) per twenty-foot 20-foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port.
- (c) Beginning January 1, 2009, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed thirty dollars (\$30) per TEU. The port shall collect the fee at least twice a year.
- (1) The port shall remit one-half of the user fee to the Southern California Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Port of-and Long Beach, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (2) The port shall remit one-half of the user fee to the Southern California Mitigation Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the board to mitigate environmental pollution caused by the movement of cargo to and from the Port of Long Beach by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (d) The port may contract with PierPass for the collection of the user fee authorized pursuant to this section.
- 1747. (a) Beginning January 1, 2008, the Port of Oakland shall develop a process for notifying the owner of, and collecting a user fee from the owner of, container cargo moving through the port.

SB 974 — 14—

(b) No later than June 1, 2008, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed thirty dollars (\$30) per-twenty-foot 20-foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port.

- (c) Beginning January 1, 2009, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed thirty dollars (\$30) per TEU. The port shall collect the fee at least twice a year.
- (1) The port shall remit one-half of the user fee to the Northern California Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Port of Oakland and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (2) The port shall remit one-half of the user fee to the Northern California Mitigation Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the board to mitigate environmental pollution caused by the movement of cargo to and from the port by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (d) The port may contract with PierPass for the collection of the user fee authorized pursuant to this section.

Article 3. Congestion Relief and Mitigation Relief Projects

1750. (a) Beginning January 1, 2008, the commission shall develop a list of projects that would improve the overall efficiency of container cargo movement to and from the Ports of Los Angeles and Long Beach by improving the rail system and container

15 SB 974

transportation systems that transport container cargo from and to those ports and the ondock rail facilities at those ports. In the process for selecting projects, the commission shall consult with the transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, the Port of Los Angeles, the City of Los Angeles, the Port of Long Beach, the City of Long Beach, and the Southern California Association of Governments. The commission shall hold public hearings to seek further input on developing these projects, with at least one hearing at or near the Port of Los Angeles and the Port of Long Beach.

- (b) No later than September 1, 2008, the commission, at a public hearing, shall finalize a list of projects that would improve the overall efficiency of container cargo movement to and from the Ports of Los Angeles and Long Beach by improving the rail system and container transportation systems that transport container cargo from and to those ports and the ondock rail facilities at those ports. This will be the final list, of infrastructure projects at the Ports of Los Angeles and Long Beach, eligible to be funded by the user fee authorized pursuant to this chapter.
- (c) Projects eligible to be on the final list shall not be used to construct, maintain, or improve highways, unless the highway or road improvement is part of a rail grade separation, or the highway improvement is done to separate container cargo from motor vehicle traffic by creating on ramps or off ramps for port container truck traffic.
- (d) In awarding funds pursuant to this section, the commission shall give priority to those projects that have been designed to measurably reduce air pollution and environmental impacts to local communities, and to assist in attaining state and federal air quality goals and enhance achieving and maintaining state and federal air quality standards and enhancing environmental performance, while addressing the overall efficiency of container cargo movement.
- (e) On January 1, 2009, and annually thereafter, the Ports of Long Beach and Los Angeles shall report to the commission on the implementation of the Final 2006 San Pedro Bay Clean Air Action Plan. Each port shall report to the commission on whether the emission reduction goals for the source specific categories have been achieved as follows:
- (1) Heavy-duty vehicles by 2011.

SB 974 — 16—

1 (2) Cargo handling equipment, 2010, 2012, and 2014.

- 2 (3) Harbor craft, 2008 and 2011.
 - (4) Locomotives, 2008, 2011, and 2014.

If any of the source specific emission reduction goals have not been met, the commission shall not award funding to any project, and the commission shall not fund any further projects until the source specific emission reduction goals are achieved, other than projects that have been awarded funding prior to this finding.

- (f) For all construction projects funded pursuant to this section, a contractor shall ensure that all mobile nonroad equipment used on the project will be equipped with a California Air Resources Board (CARB) verified diesel particulate filter that obtains at least an 85-percent reduction in emissions, unless any of the following circumstances exists, and the contractor is able to provide proof that any of these circumstances exists:
- (1) A piece of specialized equipment is unavailable in a controlled form within the state, including through a leasing arrangement.
- (2) A contractor has applied for incentive funds to put controls on a piece of uncontrolled equipment planned for use on the project, but the application is not yet approved, or the application has been approved, but funds are not yet available.
- (3) A contractor has ordered a control device for a piece of equipment planned for use on the project, or has ordered a new piece of controlled equipment to replace the uncontrolled equipment, but that order has not been completed by the manufacturer or dealer, and the contractor has attempted to lease controlled equipment, but no dealer within 200 miles of the project has the controlled equipment available for lease.
- (g) Projects eligible to be considered by the commission include, but are not limited to, all of the following:
- (1) A project to separate at-grade crossings to reduce conflicts between trains and motor vehicles in Los Angeles, Orange, Riverside, and San Bernardino Counties, also known as the Alameda Corridor East Project.
- (2) A project to improve rail capacity by adding additional tracks to existing rail lines in Los Angeles, Orange, Riverside, and San Bernardino Counties.
- 39 (3) A project to separate at-grade rail crossings in San 40 Bernardino County, also known as the Colton crossing.

__ 17 __ SB 974

(4) A project to improve ondock rail infrastructure at the Ports of Los Angeles and Long Beach.

- (h) In determining which projects to select, the commission shall also take into account the entire rail and trade corridor servicing the Ports of Los Angeles and Long Beach.
- (i) The commission shall only use the funds received from the Southern California Congestion Fund to fund projects authorized pursuant to this section.
- (j) Once the projects on the final list are completed and fully funded, the commission shall notify the Ports of Los Angeles and Long Beach that the infrastructure projects are completed and to no longer collect the one-half of the user fee for infrastructure projects. The commission may also make a finding that a project on the final list has either been funded by another source or is no longer worthy of funding.
- 1751. (a) Beginning January 1, 2008, the commission shall develop a list of projects that would improve the overall efficiency of container cargo movement to and from the Port of Oakland by improving the rail and container transportation systems that transport container cargo from and to that port and the ondock rail facilities at that port. In the process for selecting projects, the commission shall consult with the transportation commissions for the Counties of Alameda and Contra Costa, the Port of Oakland, the City of Oakland, and the Bay Area Association of Governments. The commission shall hold public hearings to seek further input on developing these projects, including at least one hearing in the City of Oakland.
- (b) No later than September 1, 2008, the commission, at a public hearing, shall finalize a list of projects that would improve the overall efficiency of container cargo movement to and from the Port of Oakland by improving the rail and container transportation systems that transport container cargo from and to that port and the ondock rail facilities at that port. This will be the final list, of infrastructure projects at the Port of Oakland, eligible to be funded by the user fee authorized pursuant to this chapter.
- (c) Projects eligible to be on the final list shall not be used to construct, maintain, or improve highways, unless the highway or road improvement is part of a rail grade separation, or the highway improvement is done to separate container cargo from motor

SB 974 — 18 —

vehicle traffic by creating on ramps or off ramps for port containertruck traffic.

- (d) In awarding funds pursuant to this section, the commission shall give priority to those projects that have been designed to measurably reduce air pollution and environmental impacts to local communities, and to assist in-attaining state and federal air quality goals and enhance achieving and maintaining state and federal air quality standards and enhancing environmental performance, while addressing the overall efficiency of container cargo movement.
- (e) For all construction projects funded pursuant to this section, a contractor shall ensure that all mobile nonroad equipment used on the project will be equipped with a California Air Resources Board (CARB) verified diesel particulate filter that obtains at least an 85 percent reduction in emissions, unless any of the following circumstances exists, and the contractor is able to provide proof that any of these circumstances exists:
- (1) A piece of specialized equipment is unavailable in a controlled form within the state, including through a leasing arrangement.
- (2) A contractor has applied for incentive funds to put controls on a piece of uncontrolled equipment planned for use on the project, but the application is not yet approved, or the application has been approved, but funds are not yet available.
- (3) A contractor has ordered a control device for a piece of equipment planned for use on the project, or has ordered a new piece of controlled equipment to replace the uncontrolled equipment, but that order has not been completed by the manufacturer or dealer, and the contractor has attempted to lease controlled equipment, but no dealer within 200 miles of the project has the controlled equipment available for lease.
- (f) Projects eligible to be considered by the commission include, but are not limited to, projects to separate at-grade crossings to reduce conflicts between trains and motor vehicles and ondock rail improvements at the Port of Oakland.
- (g) In determining which projects to select, the commission shall also take into account the entire rail and trade corridor servicing the Port of Oakland.

_ 19 _ SB 974

(h) The commission shall only use the funds received from the Northern California Congestion Fund to fund projects authorized pursuant to this section.

- (i) Once the projects on the final list are completed and fully funded, the commission shall notify the Port of Oakland, that the infrastructure projects are completed and to no longer collect the one-half of the user fee for infrastructure projects. The commission may also make a finding that a project on the final list has either been funded by another source or is no longer worthy of funding.
- 1752. (a) Beginning January 1, 2008, the board shall develop a list of projects that reduce air pollution caused by the movement of container cargo to and from the Ports of Los Angeles and Long Beach. The projects on the list shall be consistent with the Emission Reduction Plan (ERP) adopted April 2006, and shall be designed to reduce air pollution at those ports in order to reach federal air quality attainment achieve and maintain state and federal air quality standards and to meet the ERP's goals for 2010, 2015, and 2020, as well as the goals for the Air Quality Management Plan prepared by the South Coast Air Quality Management District, and the San Pedro Bay Clean Air Action Plan. In developing the list, the board shall consult with the South Coast Air Quality Management District, the Gateway Council of Governments, and the Ports of Los Angeles and Long Beach. The board shall hold public hearings before developing the list of projects, with at least one hearing being held at or near the Ports of Los Angeles and Long Beach.
- (b) The board shall work with the South Coast Air Quality Management District, the Port of Los Angeles, and the Port of Long Beach in order to ensure that projects within the Air Quality Management Plan prepared by the South Coast Air Quality Management District and within the San Pedro Bay Clean Air Action Plan are completed or implemented. The board may provide funding to the district in order to implement the Air Quality Management Plan prepared by the district, and to the ports in order to implement the San Pedro Bay Clean Air Action Plan.
- (c) No later than September 1, 2008, the board, at a public hearing, shall finalize a list of projects that meet the ERP's goals for 2010, 2015, and 2020, in order to meet federal air quality attainment standards.

SB 974 — 20 —

(d) The board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met in the South Coast Air Basin, including full implementation of the Air Quality Management Plan prepared by the South Coast Air Quality Management District. Once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Los Angeles of this determination, and the Port of Los Angeles shall no longer collect the one-half of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.

- (e) The board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met in the South Coast Air Basin, including full implementation of the Air Quality Management Plan prepared by the South Coast Air Quality Management District. Once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Long Beach of this determination, and the Port of Long Beach shall no longer collect the one-half of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.
- (f) The board shall only use the funds received from the Southern California Mitigation Fund to fund projects authorized pursuant to this section.
- 1753. (a) Beginning January 1, 2008, the board shall develop a list of projects that reduce air pollution caused by the movement of container cargo to and from the Port of Oakland. The projects on the list shall be consistent with the Emission Reduction Plan (ERP) adopted April 2006, and shall be designed to reduce air pollution at the port in order to reach federal air quality attainment achieve and maintain state and federal air quality standards and to meet the ERP's goals for 2010, 2015, and 2020. In developing the list, the board shall consult with the Bay Area Air Quality Management District and the Port of Oakland.
- (b) If the Bay Area Air Quality Management District and the Port of Oakland develop a plan to reduce emissions from the Port of Oakland, then the board shall work with the district and the port in order to ensure that projects within the plan are completed or

__21__ SB 974

implemented. The board may provide funding to the district or the port in order to achieve the goals of the plan.

- (c) No later than September 1, 2008, the board, at a public hearing, shall finalize a list of projects that meet the ERP's goals for 2010, 2015, and 2020, in order to meet federal air quality attainment standards.
- (d) The board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met within the Bay Area Air Quality Management District, and once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Oakland of this determination, and the Port of Oakland shall no longer collect the one-half of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.
- (e) The board shall only use the funds received from the Northern California Mitigation Fund to fund projects authorized pursuant to this section.
- SEC. 4. Section 1760 of the Harbors and Navigation Code is amended and renumbered to read:
- 1730. (a) For purposes of this section, "council" means the California Marine and Intermodal Transportation System Advisory Council, a regional subunit of the Marine Transportation System National Advisory Council chartered by the federal Secretary of Transportation under the Federal Advisory Council Act (P.L. 92-463).
 - (b) The council is requested to do all of the following:
- (1) Meet, hold public hearings, and compile data on issues that include, but need not be limited to, all of the following:
 - (A) The projected growth of each maritime port in the state.
- (B) The costs and benefits of developing a coordinated state program to obtain federal funding for maritime port growth, security, and congestion relief.
- (C) Impacts of maritime port growth on the state's transportation system.
- (D) Air pollution caused by movement of goods through the state's maritime ports, and proposed methods of mitigating or alleviating that pollution.
- (E) Maritime port security, including, but not limited to, training, readiness, certification of port personnel, exercise planning and

SB 974 -22-

conduct, and critical marine transportation system infrastructure
 protection.
 (F) A statewide plan for continuing operation of maritime ports

- (F) A statewide plan for continuing operation of maritime ports in cooperation with the United States Coast Guard, the federal Department of Homeland Security, the Office of Emergency Services, the state Office of Homeland Security, and the California National Guard, consistent with the state's emergency management system and the national emergency management system, in the event of a major incident or disruption of port operations in one or more of the state's maritime ports.
- (G) State marine transportation policy, legislation, and planning; regional infrastructure project funding; competitiveness; environmental impacts; port safety and security; and any other matters affecting the marine transportation system of the United States within, or affecting, the state.
- (2) Identify all state agencies that are involved with the development, planning, or coordination of maritime ports in the state.
- (3) Identify other states that have a statewide port master plan and determine whether that plan has assisted those states in improving their maritime ports.
- (4) Compile all information obtained pursuant to paragraphs (1) to (3), inclusive, and submit its findings in a report to the Legislature not later than January 1, 2006. The report should include, but need not be limited to, recommendations on methods to better manage the growth of maritime ports and address the environmental impacts of moving goods through those ports.
- (c) The activities of the council pursuant to this section shall not be funded with appropriations from the General Fund.
- SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section

35 17556 of the Government Code.

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MEMO

DATE: May 30, 2007

TO: Goods Movement Task Force

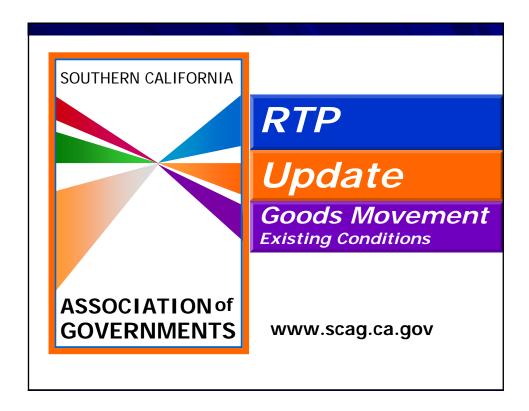
FROM: Mike Jones, SCAG Staff, (213) 236-1978, jonesm@scag.ca.gov

SUBJECT: RTP Update – Goods Movement Existing Conditions

BACKGROUND:

Ms. Sarah Catz will provide an overview of goods movement activities and their economic, environmental and infrastructure needs and impacts in the SCAG region. This initial overview will be used as a basis for the required completion of the 2007/2008 Regional Transportation Plan.





Goods Movement in the SCAG Region

- Major Gateway for International Commerce
 Ports of Long Beach and Los Angeles account for 87 percent of State's container volume
- Tremendous Freight Infrastructure Development
 Ports, airports, border crossings, highways, rail and intermodal terminals
- Major Role of Freight/Logistics in National, State and Regional Economies
 - One out of every seven jobs in Southern California depends on trade
- Existing Infrastructure is Reaching Capacity
 System is already straining to keep pace with current demand
- All Projections Point to Continued Robust Growth in Goods Movement Volumes
 - Container goods movement through the Ports of Los Angeles and Long Beach expected to increase from a combined 11.8 million TEUs in 2003 to around 44.7 million TEUs in 2030
- Associated Increase in Demand on Transportation System
 Truck VMT expected to increase 110% by 2030
- Growing Concern Regarding Side Effects of Goods Movement Issues of community health, air pollution and congestion are foremost

SCAG Studies Completed

- SR-60 Truck Lane Feasibility Study Concluded that dedicated truck lanes between I-710 and I-15 were feasible
- Goods Movement White Paper Survey of regional initiatives & discussed program objectives
- Truck Count Study Conducted 24-hour, observed counts at over 150 highway locations throughout the region
- LA-Inland Empire Railroad Mainline Advance Planning Study Forecasted year 2025 Rail Capacity Needs
- Empty Container Study5-10% of empty containers can be reloaded for export

Studies Completed (Continued)

- Logistics and Distribution: An Answer to Regional Upward Social Mobility
 - Logistics industry accounts for 1 in 7 (550,000) jobs in the region Replaces lost manufacturing jobs and at a higher pay level
- Port and Modal Elasticity Study
 - Measured impact of user fees on cargo volumes at the LA/LB Ports Concluded that container charges resulting in congestion relief would reduce volume by only 4.3%
- I-15 Comprehensive Corridor Study

Evaluated the feasibility, options, and costs of implementing truck lanes along the I-15 corridor between SR-60 interchange and the Mojave River crossing in Victorville. Proposed the development of dedicated truck lanes for the full length of the study area as a goods movement enhancement strategy along the I-15 corridor.

Studies Underway

- Multi-County and State Goods Movement Action Plans Regionwide & Statewide strategies and solution sets
- Inland Port Feasibility Study Feasibility of shifting the storage & sorting of containers inland
- Port & Modal Elasticity Study Phase II Measuring freight diversion in the short run
- Env. Mitigation for Goods Movement Most cost-effective air quality mitigation strategies
- Alternative Technologies
 Feasibility of alternative cargo conveyance systems

Input Alternatives for 2008 RTP

- State GMAP
- Multi-County GMAP
- 2007 AQMP
- POLA/POLB Master Plans
- BNSF/UP Capital Plans
- Additional inputs:

Infrastructure Enhancements
Environmental Mitigations
Institutional/Legal/Financial
Alternative Freight Transport Tech

Entry of Goods in Region

- Ocean Carriers
 - Inland-point Intermodal Service
 - Transportation to the Port Gate with a Container Mounted on a Chassis
 - Transportation to Inland Warehouses
- Air Cargo
- Railroads
- Trucking

Ports Los Angeles and Long Beach

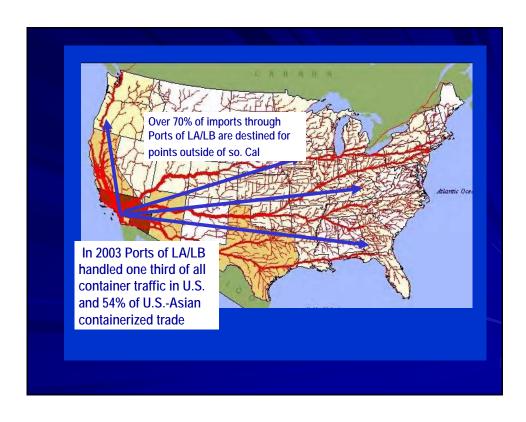
- Largest National Container Port Complex
- Fifth Largest Container Port Complex in World
- 15.7 million Twenty-Foot Equivalent Units (TEUs) of containers in 2006
- Approximately 40,000 TEUs units move every day through the ports

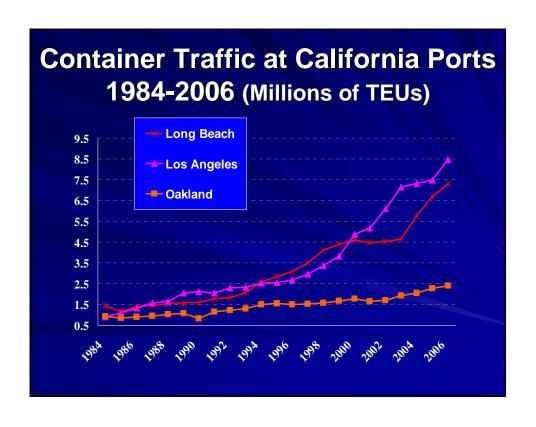
Ports Los Angeles and Long Beach

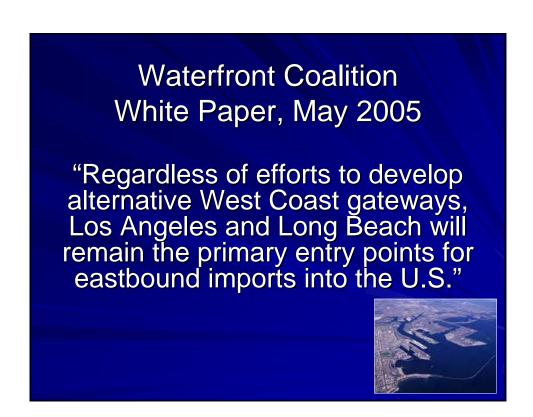
- Fourth largest Nationwide in tonnage of bulk and break-bulk commodities (including automobiles and liquid bulk)
 - Total of 135 million tons in 2005
- The ports handled a total of close to 352 million metric revenue tons of cargo in 2006 (including containers)

Corre Time	2006 Cargo Volume (Millions of Metric Revenue Tons)					
Cargo Type	Port of Los Angeles	Port of Long Beach	Total (Both Ports)			
General Cargo (Including Containers)	155.3	127.2	282.5			
Liquid Bulk	22.8	33.2	56.0			
Dry Bulk	3.6	9.4	13.0			
Total	181.7	169.8	351.5			

Sources: Port of Los Angeles 2006 Financial Statement; and Port of Long Beach 2006 Monthly Tonnage Summary Reports.







Trade and Trade Growth Issues/Impacts

Impacts

- Growing congestion: 110% more trucks on roads by 2030
- Air quality concerns: DPM and NOx growth
- Health concerns: Increasing rates of cancer, asthma

Positive Contributions

- Jobs: 1.4 million people employed in 2005
- Regional, state, and national economic engine: Created \$113 billion in economic value in 2005

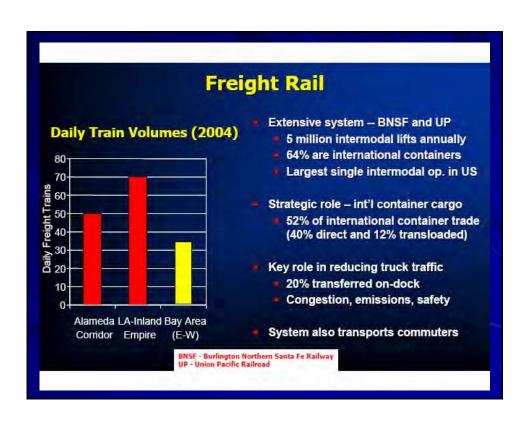
Issues

- Terminal capacity expansion needs
- On-dock rail needed
- Port contribution to regional transportation system

Recent Actions to Combat Impacts/Issues

- PierPass OffPeak project
- San Pedro Bay Ports Clean Air Action Plan (CAAP)
- Alameda Corridor
- Gateway Cities Truck Replacement Initiative
- On-Dock rail increase to 20%
- Development and test deployment of Virtual Container Yard
- Study of advanced, low-emissions container transportation technologies





Train Delays on Existing Trackage

Year	Train Type	Average Delay per Train
2000	BNSF Freight	31.9 minutes
2000	UP Freight	30.4 minutes

Forecast Train Delay

(Year 2000 passenger trains and no system capacity improvements)

Year	Train Type	Average Delay per Train
2010	BNSF Freight	206.3 minutes
2010	UP Freight	196.9 minutes

Source: Leachman and Associates Mainline Rail Study for SCAG

Truck Volume on Southern California Freeways

Freeway	2002	2025	
I - 110	18.6	39.1	
I - 405	22.3	42.6	110%
I - 10	20.4	43.3	Average
U.S. 101	20.7	43.4	Increase
I - 105	26.1	54.9	moreage
I - 5	40.9	85.9	
I - 710	47.3	99.3	
CA - 60	50.4	105.8	



Truck Counts by Type Across SCAG Region

Screenline	County	Freeways	Description of Travel	Total Daily Trucks
1	Los Angeles	I-5, SR-2, U.S. 101, I-405	North – South	54,991
2	Los Angeles	I-10, SR-60, I-5, I-105, SR-91, I-405	East – West	144,883
3	Los Angeles	I-110, I-710, I-405	North – South	66,515
4	Orange	SR-57, SR-91, I-5, SR-22, I-405	Out of OC/Into OC	90,899
5	Orange	I-5, SR-57, SR-91, I-405	Out of S. LAC/Into S. LAC	91,934
6	San Bernardino	SR-91, I-10, SR-60	East – West	85,143
7	San Bernardino	I-215, I-15	North – South	57,680
8	Los Angeles	I-210, I-10, SR-60	East – West	80,167
9	Riverside/San Bern.	SR-60, SR-30, I-10, SR-74	East – West	25,058
10	Ventura	SR-118, U.S. 101, SR-126	East – West	20,617
11	Ventura	U.S. 101, SR-126, SR-118	East – West	17,220
12	Riverside	I-10, SR-111	Out of Imp. Co./Into Imp. Co.	14,647
13	San Bernardino	I-15, SR-138, SR-18	Out of SB Co./Into SB Co.	2,664
15	Riverside	I-15, SR-91, I-215	North - South	24,975

Source: SCAG Goods Movement Truck County Study, 2002.

2003 Daily Truck and Total Vehicle Miles of Travel by District and County

	District	Light-Heavy Trucks 2-Axle	Medium-Heavy Trucks 3 and 4 Axles	Heavy-Heavy Trucks Multi-Axle	Total
Los Angeles	7	2,564,937	998,559	3,433,882	6,997,378
Orange County	12	912,249	289,696	664,822	1,866,767
Riverside	8	1,167,186	389,918	2,202,485	3,759,589
San Bernardino	8	1,343,422	426,252	3,270,318	5,039,992
Ventura	7	270,384	105,797	193,433	569,614

Source: Truck Miles of Travel: California State Highway System 1988-2003, Caltrans, 2005.

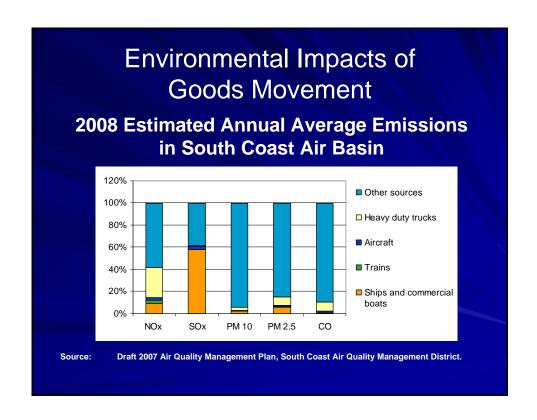
Economic Imperative: Improving Job Opportunities

- High wages for California workers (\$45K per year average)
- Trade jobs one of every seven in California
- California Trade 40% of the national total
- 2002 trade disruption cost\$7+ billion nationally



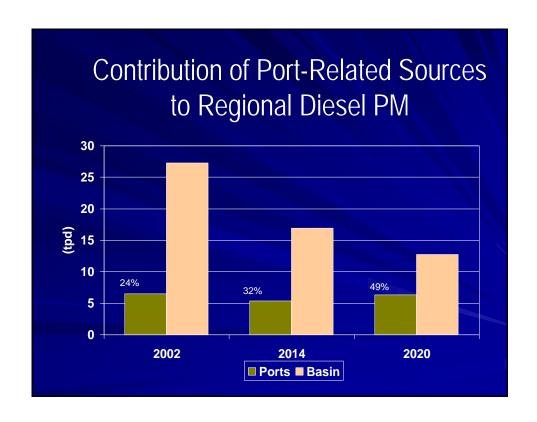
Environmental Impacts of Goods Movement

- Goods movement (GM) in Southern California a major source of air pollution
- Major GM sources of pollutant emissions in the region: Over-the-road trucks, rail locomotives, idling trucks/locomotives, yard and terminal equipment, and ships
- GM also having other environmental impacts in the region in terms of noise and water pollution.
 - Noise from terminal/yard equipment
 - Locomotive horns at grade crossings
 - Water pollution through run-offs at seaports and other goods movement terminals/yards.
 - Dredging activity at seaports also a major cause of water pollution



Public Health Imperative: Reducing Port-Related Air Pollution

- Majority of emissions are from mobile sources, including ships
- Goods movement is a key contributor to air pollution and disease
- Diesel PM: A toxic air contaminant
- Without new control strategies, more cargo means more pollution



Environmental Enhancements

- The Ports of Long Beach and Los Angeles Clean Air Action Plan
- The Port of Oakland's Vision 2000 Maritime Development Program
- The State Goods Movement Action Plan and the California Air Resources Board Emission Reduction Plan

Funding Limitations

Crisis

- Highway gas tax
- SAFETEA-LU
- State diversion of transportation dollars
- Federal non-responsiveness

Opportunity

- Proposition 1B: \$19.925 billion in State General Obligation bonds for transportation
- Coalition Building: Public-Private Partnerships
 - The Waterfront Coalition
 - West Coast Corridor Coalition

Other Issues Other Issues Modal Shifts and Trends Truck safety concerns • 84% of fatalities involving • E.g. -- trend in transload traffic trucks are occupants of car Market response to reduce costs Truck accidents up Public investments/policles 17% between '00 and '03 lag market **Land Use Trends** At-grade crossings Impacts include noise, safety, Warehouse develop, shifting east emissions, congestion So are impacts on communities (noise, congestion, safety, Projects are planned, shortfall in funding is prohibitive emissions, etc) System-wide GM data Security Flow patterns not fully reflected Seaports and airports fund many security projects by travel demand data Congress evaluating effective-· Lack of system-wide performance data and measures ness of security procedure

MEMO

DATE: May 30, 2007

TO: Goods Movement Task Force

FROM: Mike Jones, SCAG Staff, (213) 236-1978, jonesm@scag.ca.gov

SUBJECT: Inland Port Feasibility study

BACKGROUND:

In 2005, SCAG retained the Tioga Group to perform the Inland Port Feasibility study. An inland port facility offers broad potential benefits in facilitating goods movement, encouraging economic development, reducing traffic congestion, and otherwise promoting regional objectives of the 2004 Regional Transportation Plan. The objective of the study is to determine which of these benefits can be realized, in which kinds of facilities, and at which sites.

Mr. Gary Hamrick of Iteris, Inc. will provide a presentation on the Inland Port Site and Operational Analysis component of the study and discuss remaining the tasks and schedule for completion of the Inland Port Feasibility study.







May 30, 2007

SCAG Inland Port Study Objectives

- Determine the purpose and benefits of an Inland Port and the various functions it might include
- Identify the potential utility of an Inland Port to users and stakeholders in the goods movement system
- Identify the potential freight traffic congestion relief





THE TIOGA GROUP

Inland Port Models for SCAG Region



Matching inland port strategy with locations

- Satellite Marine Terminals, Logistics Parks, and Agile Port terminals all provide potential benefits in different ways.
- Different possible Inland Port sites would serve different purposes.
- Sites closest to current markets offer near-term potential as satellite marine terminals.
- More distant sites in developing areas have greater potential as logistics parks.
- Strategic rail sites offer potential as agile port terminals.



Logistics Park Potential

- The "Logistics Park" model would encourage and locate future logistics industry development.
- The major issues to be addressed are:
 - Market potential
 - Public vs. private development priorities
 - Rail capacity and traffic volume
 - Competition with other public and private initiatives
 - Site selection and development timeline



Candidate: Southern California Logistics Airport



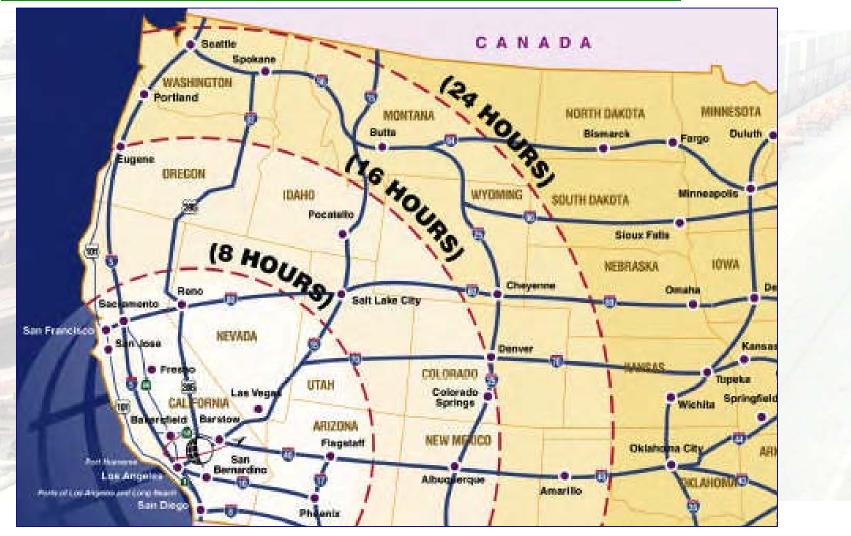
An SCLA site would favor a future market as a developing logistics park.







Western States Distribution from SCLA

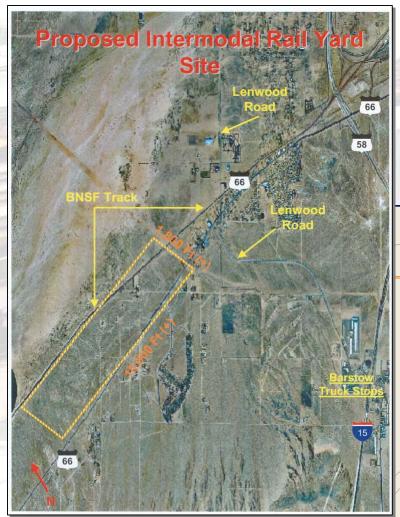




SCAG Inland Port Feasibility Study



Barstow Site



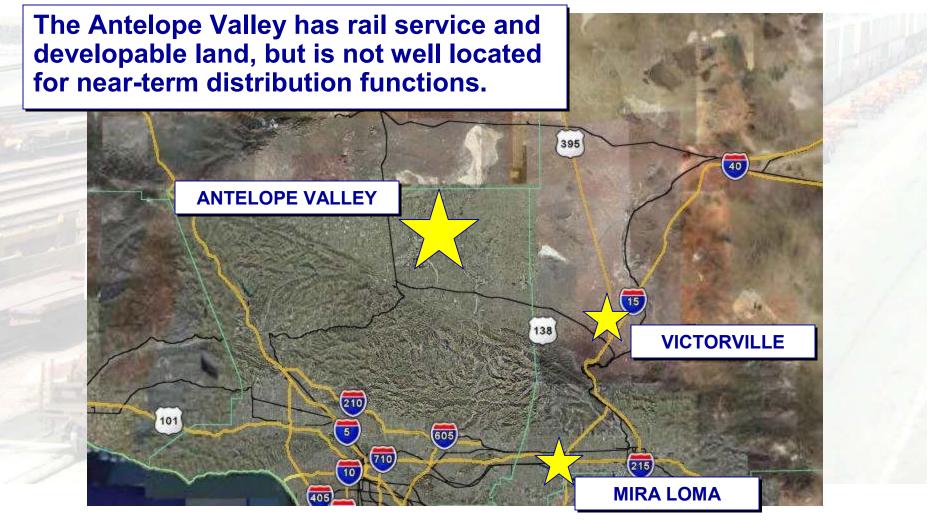
- A potential Barstow site is adjacent to the BNSF mainline with UP trackage rights.
- A Barstow site would be positioned as a developing logistics park and/or an agile port terminal.







Antelope Valley: Long Term?





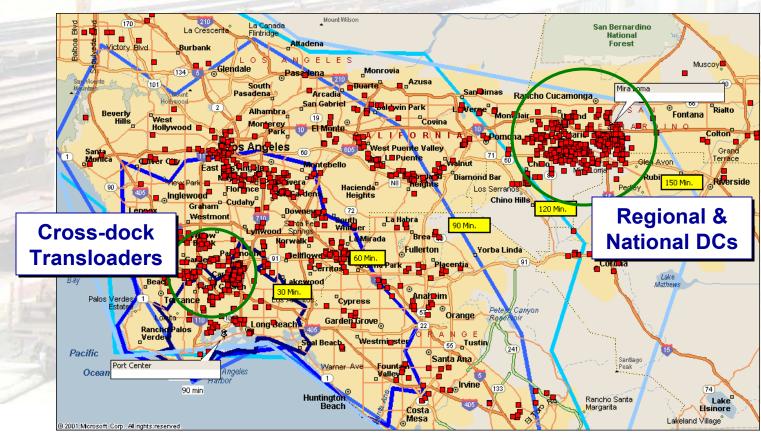
Satellite Marine Terminal Potential

- The "Satellite Marine Terminal" model would reduce truck VMT via an intermodal rail shuttle.
- The major issues to be addressed are:
 - Rail and terminal capacity
 - Commercial acceptance
 - Public investment and subsidy
 - Site selection close to existing customers



Satellite Marine Terminal: Mira Loma

The Mira Loma concentration of distribution centers and other customers is the key near-term target market to reduce VMT.





SCAG Inland Port Feasibility Study



Large Sites: Colton, SBIA, SCLA





SCAG Inland Port Feasibility Study



Closer is Better

MMA model demonstrates substantial VMT reductions for the Colton and SBIA locations, and modest reductions for the SCLA location.

Year 2005

		VMT Es	timates		Difference Percent Differe				nce	
Year 2005	Without Inland Port	Colton	SBIA	SCLA	Colton	SBIA	SCLA	Colton	SBIA	SCLA
AM Peak Hour	126,465	120,302	121,236	125,993	(6,163)	(5,229)	(472)	-4.87%	-4.13%	-0.37%
MD Peak Hour	190,198	180,811	182,178	189,268	(9,387)	(8,020)	(930)	-4.94%	-4.22%	-0.49%
PM Peak Hour	119,825	114,180	115,103	119,434	(5,645)	(4,722)	(391)	-4.71%	-3.94%	-0.33%
AADT*	1,865,333	1,774,756	1,788,534	1,857,671	(90,577)	(76,799)	(7,662)	-4.86%	-4.12%	-0.41%

^{*} AM, MD, and PM Peak Hours are 23.4 percent of daily port trips in 2005

Year 2010

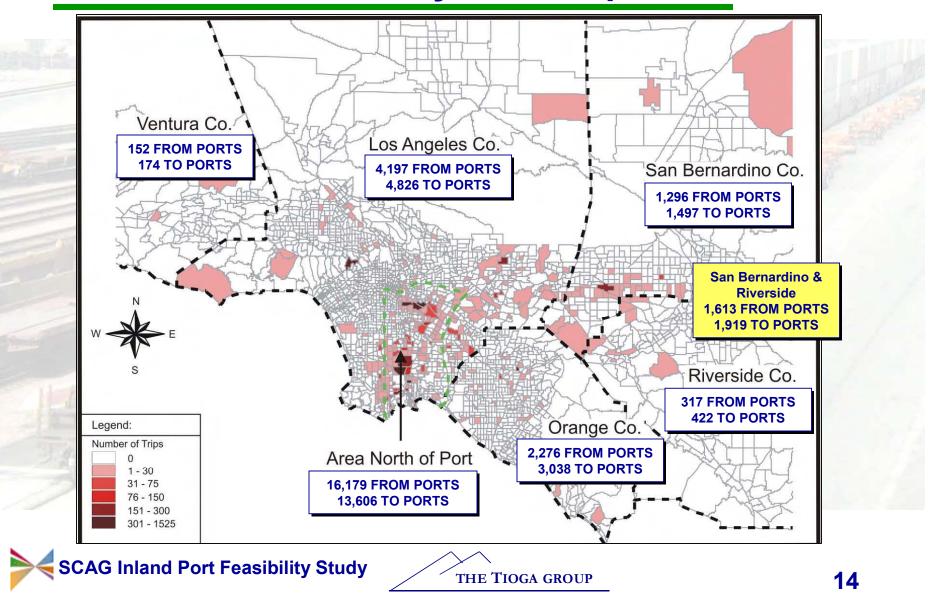
		VMT Es	timates		Difference Percent Difference					nce
Year 2010	Without Inland Port	Colton	SBIA	SCLA	Colton	SBIA	SCLA	Colton	SBIA	SCLA
AM Peak Hour	162,263	155,130	156,103	161,183	(7,133)	(6,160)	(1,080)	-4.40%	-3.80%	-0.67%
MD Peak Hour	222,142	211,746	213,348	221,154	(10,396)	(8,794)	(988)	-4.68%	-3.96%	-0.44%
PM Peak Hour	134,115	128,039	128,943	133,418	(6,076)	(5,172)	(697)	-4.53%	-3.86%	-0.52%
AADT	2,541,765	2,426,054	2,443,108	2,528,211	(115,711)	(98,657)	(13,554)	-4.55%	-3.88%	-0.53%

^{*} AM, MD, and PM Peak Hours are projected to be 20.4 percent of daily port trips in 2010





Current Markets: Daily 2005 Trips



Changing Gears: The "Commuter" Shuttle Concept

Original Concept

- PHL switching at ports
- Large, conventional inland terminal
- Third-party terminal operations
- UP or BNSF operation
- Operating subsidy

Problems

- No place for large inland terminal
- Institutional and economic barriers to UP or BNSF commitments
- Rail capacity shortfall

"Commuter" Concept

- PHL switching at ports
- Small commuter-style inland terminal – or terminals
- Third-party terminal operations
- UP or BNSF operation with subsidy
- UP or BNSF establish operating windows
- Public capital investment to maintain required capacity with shared use and benefits



Site Search Criteria

- Minimum size of 35 acres
 - Provides minimum capacity for a terminal of at least 100,000 lifts.
 - Approximately 8% of 2005 port market share for Riverside and San Bernardino Counties.
- Properly zoned
 - Zoning and land use generally conform to the potential market for the prospective service.
 - There is very little undeveloped, properly zoned property in the study area.
- Able to be efficiently developed or re-developed



Initial Site Search Method

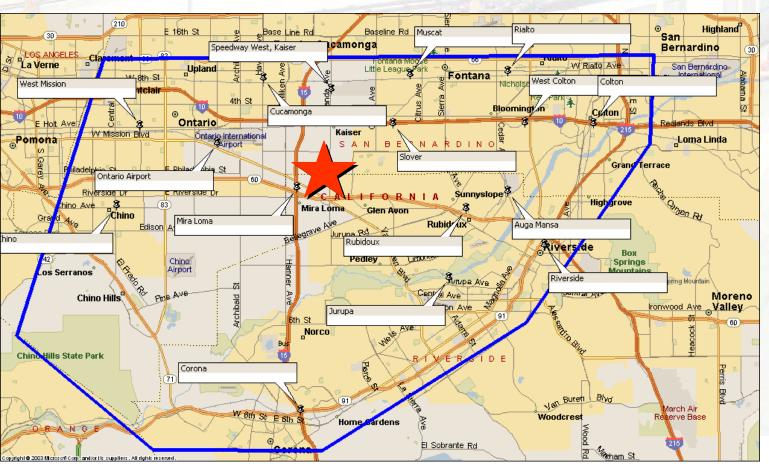
- Survey the study area using:
 - Maps Rail, zoning, and highway
 - Google Earth (aerial photos)
 - Internet search for commercial and zoning information
- Identify appropriately zoned areas with rail access.
- Check rail and highway access and distance from Mira Loma.
- Identify possible sites within these zones.
- Develop appropriate screening criteria.
- Analyze and compare the sites.





"Commuter-sized" Terminal Sites Do Exist

Sites with rail access in 16 industrial areas were considered





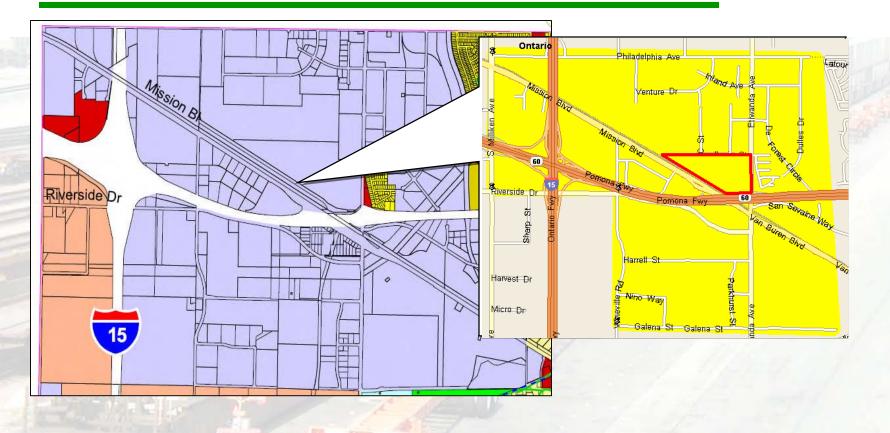


Industrial Area Characteristics

			Miles and Minut	
Area	Line	Interchange	to Mi	ra Loma
Mira Loma	LA Sub-Eastbound	I-15, CA-60	0	0
Ontario Airport	LA Sub-Eastbound	I-15, CA-60	4.4	8
Kaiser	BNSF North	I-10, Etiwanda	6.6	12
Cucamonga	BNSF North	I-10, Haven	5.9	13
Slover	Alhambra Sub-Westbound	I-10, Cherry	8.1	16
Chino	Chino Branch	CA-60, Central	9.7	17
W. Mission	Alhambra Sub-Westbound	CA-60, Mountain	9.2	18
Rubidoux	Crestmore Branch	CA-60, Valley Way	9.3	20
Jurupa	LA Sub-Eastbound	CA-91, Central	9.0	21
W. Colton	Alhambra Sub-Westbound	I-10, Riverside	14.6	22
Muscat	BNSF North	I-10, Cherry	11.6	23
Corona	BNSF Main	I-15, CA-91	15.8	24
Auga Mansa	Crestmore Branch	CA-60, Rubidoux	16.4	25
Colton	Alhambra Sub-Westbound	I-10, Mt. Vernon	17.3	25
Riverside	BNSF South	CA-60, CA-91	13.5	26



Mira Loma Zoning (Riverside County)



...warehousing and distribution uses, and other goods storage facilities, shall be permitted only in the following area....No warehouses, distribution centers, intermodal transfer facilities (railroad to truck), trucking terminals or cross dock facilities shall be allowed outside of the aforementioned area.

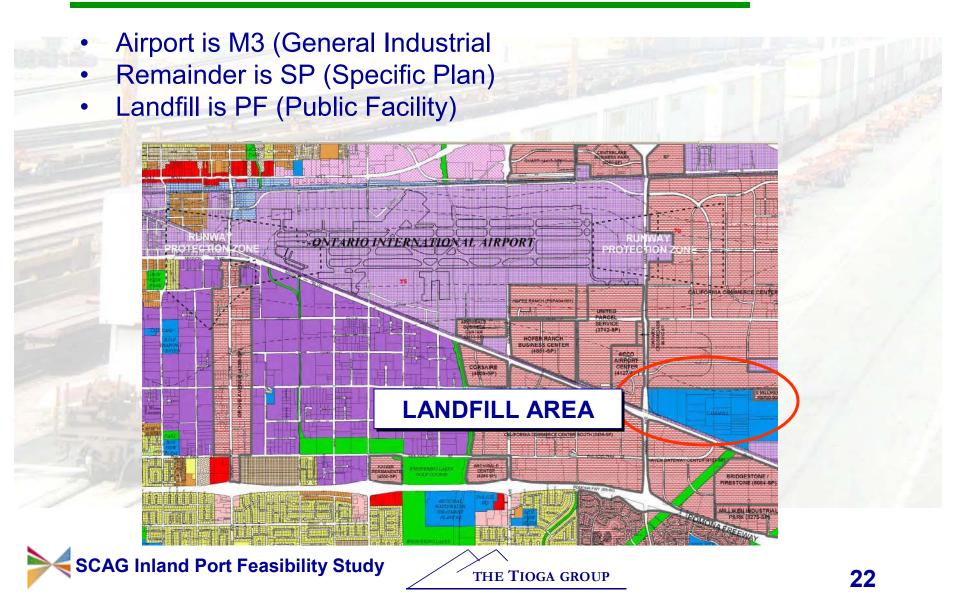




Example: Mira Loma Industrial Area



Ontario Airport Area Zoning



Example: Ontario Airport Area



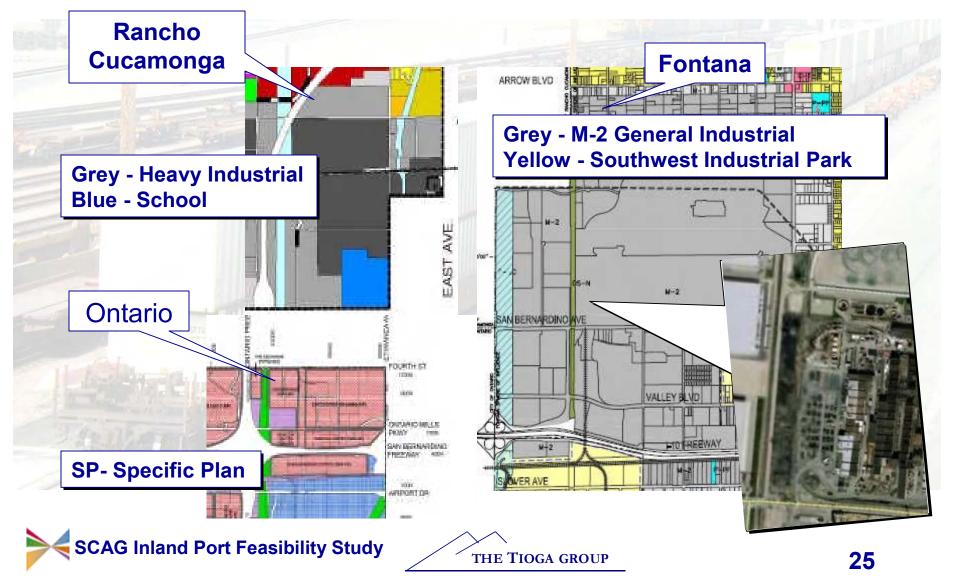
Example: Kaiser Industrial Area

- About 6 square miles of mixed zoned property (mainly industrial) in Ontario, Fontana, and Rancho Cucamonga.
- Accessible from the UP Alhambra and the BNSF north lines.
- Former Kaiser Mill now California Steel Industries is a major land owner.
- Previously identified West Speedway Site is being redeveloped for another use.





Kaiser Industrial Area Zoning & Site



Kaiser Industrial Area



California Steel Site

Approximately 50 acres adjacent to California Steel Plant





Changing Gears: The "Commuter" Shuttle Concept

Original Concept

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- Third-party terminal operations
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"Commuter" Concept

- PHL switching at ports
- Small commuter-style inland terminal – or terminals
- Third-party terminal operations
- UP or BNSF operation with subsidy
- UP or BNSF establish operating windows
- Public capital investment in added capacity with shared benefits





Using the Commuter Rail Model

Basing a rail intermodal shuttle on the commuter model may be the best way to serve an inland port.

- Public agencies are comfortable with commuter/regional rail operations and economics.
- Both Class 1 railroads cooperate with commuter and regional rail operations in multiple locations.
- Railroads make a fixed number of operating "windows" available
- Sponsor agencies develop stations and administer subsidies
- Sponsor agencies invest in line capacity, and benefits are shared



Potential Elements of Rail Strategy

Key: Win-Win for public agency and rail shareholders

- Improvements in port-area rail network to facilitate PHL train assembly.
- Selected public-private capital investments to increase network capacity, e.g. additional trackage, longer sidings, signaling, etc.
- Terminal location to minimize mainline conflicts.
- Joint planning to schedule shuttles in available operating windows.
- Negotiated limits on number and length of daily trains.
- Negotiated operating subsidy.
- Agreed timeline and criteria for success.





Task Structure and Approach

- ✓ Task 1: Define the concept and purpose of an Inland Port facility
- ✓ Task 2: Describe existing Inland Port concepts in the SCAG region
- Task 3: Interviews and surveys to determine feasibility and demand
- Task 4: Estimate costs and benefits of the proposed Inland Port concepts
- Task 5: Final Report Evaluate the feasibility of alternative Inland Port sites

Task 1 & 2 - Purpose & Cor	ncepts	Task 3 - Interviews, Stakeholders, Data Collection Task 4 - Analysis			Task 5 - Sites & Evaluation															
Function	Purpose & Benefits	Operational Feasibility	Cor		& Econo ibility	mic	Instituti Feasib			Benefit alysis	Co Effecti Ana	veness	Site Se	lection	Envir	munity & onmenta asibility	. "	erformand Measures		oncept /aluatior
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Air cargo consolidation			January	February	Ma	¥	Ž	ηſ	Ju	Auç	September	October	November	December	January	February	Ma	₽	Σ	Ju
Marine/Domestic Transloading											Š		Z							
Rail/Truck Transloading				Ta	ask 1 -	Conce	ept		*											
Foreign Trade Zone		-																		
LCV Staging				Task 2	2 - Exis	ting/P	lannec	ı	*											
Truck Parking																				
Agile Port Container Sort			Ta	ask 3 -	Conce	ept			Task 3	3 Feas	ibility				Task	3 - Fee	dbac	k	*	
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Next Steps

- Continue site search and analysis
- Work with UP, BNSF, and PHL railroads to outline potential operations and terms.
- Contact potential customers to gauge interest.





MEMO

DATE: May 30, 2007

TO: Goods Movement Task Force

FROM: Mike Jones, SCAG Staff, (213) 236-1978, jonesm@scag.ca.gov

SUBJECT: High Speed Regional Transport System

BACKGROUND:

As part of the High Speed Regional Transport (HSRT) system design effort, IBI Group has been working with SCAG staff in developing a business plan approach to financing the high-speed regional system. The HSRT system builds on the effort completed by the Initial Operating Segment and examines an expansion of the system to include access to San Bernardino, Palmdale, and the San Pedro Bay ports. Coverage of the HSRT to these locations would allow the system to address the needs of passenger, aviation, and goods movement in the region and tap into potential business and revenue opportunities.

David Chow of IBI Group will provide an overview of the HSRT concept and preliminary financial results. The presentation will address the purpose and need for the system, a summary of the HSRT system including costs and operating plans, an approach to financial analysis, and a summary of results. Details will be provided on the three core businesses identified in the plan: passenger, aviation, and goods movement.







HSRT Business Plan Summary

May 10, 2007



CONTEXT

SOUTHERN CALIFORNIA

- Six county region with over 18 million residents
- A key economic and social center of the U.S. and the world
- Global positioning as a gateway for people and goods movement
- Region and nation's prosperity facilitated by comprehensive network of airports, seaports and roadways
- Our legacy systems are at their limits and the challenge is how to accommodate current and future demand

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

- Municipal planning organization for six county area
- Over four decades of planning for the region
- Leading the effort to develop a plan to address the critical challenges facing the region







CHALLENGES

Southern California's three major transportation challenges (2007 – 2030):

REGIONAL MOBILITY

- Increasing traffic congestion from 2.2m to 5.4m hours of delay
- Unreliability of the roadway system
- Significant environmental and social impacts

AVIATION DEMAND

- Regional demand increase from 80 MAP to 170 MAP
- Growth at LAX and urban airports constrained
- Travel markets of L.A. and O.C. distant from outlying airports with capacity

GOODS MOVEMENT

- San Pedro Ports traffic will more than triple by 2030
- Ports currently handle 43% of all containers entering U.S.
- Shortage of capacity in the ports to keep up with demand
- Significant environmental and health impacts related to current operations







REGIONAL SOLUTION

Challenges can be addressed by a High-Speed Regional Transport system, a high performance and environmentally sensitive transportation concept.

REGIONAL MOBILITY

- Ability to link the urban centers, serving the needs of commuters
- Reduce the number of private vehicles on the road
- Enable intensification of land uses in conjunction with transit accessibility, encouraging more effective land use patterns (2% Strategy)

AVIATION DEMAND

- Create a link between urban centers and airports
- Enable a higher level of service for airport access and connecting passengers
- Improve airport operations and optimize investment of aviation infrastructure

GOODS MOVEMENT

- Link the San Pedro Ports with planned inland port facilities
- Provide capacity to handle and move containers with little or no impacts



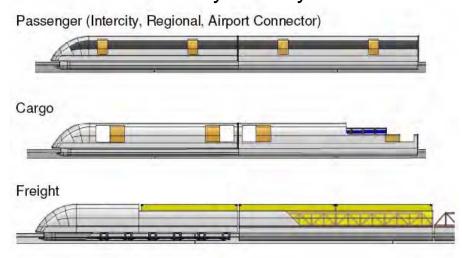




THE HSRT SYSTEM

Development of a High-Speed Regional Transport system builds on the years of technical work completed by SCAG and the Maglev Task Force.

- Fully elevated system over existing public transportation corridors
- Use of high-speed, high-capacity trains traveling at speeds up to 250 mph
- 170 mile system linking L.A. core with strategic locations outside of the basin
- Financially self-sustaining project
- Ability to link the capacity in the region together and get better value from infrastructure investments
- Environmentally friendly mode of transport











HSRT NETWORK



ASSOCIATION of GOVERNMENTS





HSRT COMPONENTS

There are three primary core businesses to the HSRT proposal.

PASSSENGER TRANSPORT

- Revenue derived from the transport of passengers and associated businesses
- Commuters fares, station parking, station concessions, etc.

AVIATION SYSTEM

- Revenue from airport access and connecting passengers
- Reduction in airport infrastructure needs and costs
- FAA participation opportunities

GOODS MOVEMENT

- Revenue generated from goods movement fees
- Enhancement of capacity to handle goods in the region
- Substitute for significant environmental mitigation requirements in the region

Fourth component is the RELATED DEVELOPMENT POTENTIAL







PASSENGER TRANSPORT PERFORMANCE

Link the urban centers, serving the needs of the commuters while reducing the number of vehicles on the road.

Reduced congestion, air and noise pollution, and dependence on oil in addition to enhanced accessibility.

Analysis indicates that HSRT serves 5 to 10% of the travel in the corridors.

HSRT Daily Ridership Forecast

Alianmont	Total HSRT Daily Ridership Volumes					
Alignment	Year 2014	Year 2025	Year 2040			
IOS	49.2 T	65.6 T	80.8 T			
IOS+LAX	86.2 T	115.0 T	141.6 T			
IOS+LAX+PMD	153.8 T	205.1 T	252.6 T			
IOS+LAX+SBD	99.9 T	133.1 T	164.0 T			
IOS+LAX+PMD+SBD	167.3 T	223.1 T	274.9 T			

T - thousands







AVIATION SYSTEM PERFORMANCE

Provides a high-speed, high-capacity link between urban and regional airports to allow airports to operate conceptually as one single airport system with multiple remote terminals.

Results indicate airport activity from passenger access and connections between airports amount up to 24% of total passenger activity.

Airport Access and Connecting Passenger HSRT Daily Ridership Forecast

Alianment	Airport Related HSRT Daily Ridership Volumes					
Alignment	Year 2014	Year 2025	Year 2040			
IOS	6.9 T	9.2 T	11.3 T			
IOS+LAX	20.5 T	27.4 T	33.7 T			
IOS+LAX+PMD	30.2 T	40.2 T	49.6 T			
IOS+LAX+SBD	24.3 T	32.3 T	39.9 T			
IOS+LAX+PMD+SBD	33.8 T	45.1 T	55.5 T			

T - thousands







GOODS MOVEMENT PERFORMANCE

A high-capacity, fast and environmentally friendly method of expanding port capacity and goods movement in the region.

The HSRT system is capable of moving over 18,700 container trips per day, over 6.8 million container trips (13.7 million TEU) annually.

Cargo trains will be a version of the passenger train designed to carry containers and using the same elevated guideway.

Freight operation will run in between passenger service with no degradation of service for passengers.









HSRT RELATED DEVELOPMENT POTENTIAL

In addition to system performance, value is created in associated real property.

BENEFITS FROM HSRT

- Enhanced accessibility around transit stations and surrounding neighborhoods
- Increased land value and development potential
- More effective land use patterns (consistent with SCAG Compass 2% Strategy)
- New suburban development made possible by extensions to the HSRT system

TYPES OF DEVELOPMENT

- Urban Transit Oriented Development (TOD)
- Suburban TOD
- Development by Goods Movement Centers
- Catalytic Business Creation







FINANCIAL APPROACH

Challenge of developing a financially defensible approach to project financing.

- Degree of confidence in the cost estimates for capital and operating expenses.
- Level of risk associated with revenue assumed from each of the core businesses.
- More detailed investment quality analysis will be needed in the next phase.

Business plan financial approach addresses the challenges at a level that is sufficient in this stage of the project.

Conservative assumptions used regarding the core business revenues.

Rather than looking at financial gap between cost and revenue, approach identified the fares and fees needed to fully cover capital and operating expenses.

Additional public participation and business opportunities will increase the financial performance of the system.



FINANCIAL PERFORMANCE

HSRT financial performance based on different internal rates of return (IRR) on investment.

26 Year Horizon: IOS+LAX+SBD(4.6M)+PMD(2.2M)+Ports Fees for Various IRR

IRR	CPV	Average	Freight Fee			
IKK	CFV	Passenger Fare	PMD	SBD		
5%	\$35,334 M	\$18.92	\$264.10	\$234.54		
7%	\$34,031 M	\$22.90	\$297.00	\$263.76		
9%	\$33,062 M	\$27.16	\$331.42	\$294.32		
11%	\$32,325 M	\$31.64	\$366.74	\$325.68		

40 Year Horizon: IOS+LAX+SBD(4.6M)+PMD(2.2M)+Ports Fees for Various IRR

IDD	CPV	Average	Freight Fee			
IRR	CPV	Passenger Fare	PMD	SBD		
5%	\$36,757 M	\$15.52	\$238.80	\$212.10		
7%	\$34,801 M	\$19.96	\$276.16	\$245.26		
9%	\$33,485 M	\$24.75	\$314.96	\$279.70		
11%	\$32,562 M	\$29.72	\$354.24	\$314.60		

60 Year Horizon: IOS+LAX+SBD(4.6M)+PMD(2.2M)+Ports Fees for Various IRR

IRR	CPV	Average	Freight Fee				
IKK	CFV	Passenger Fare	PMD	SBD			
5%	\$37,661 M	\$13.96	\$226.32	\$201.00			
7%	\$35,162 M	\$18.84	\$267.86	\$237.88			
9%	\$33,634 M	\$24.00	\$309.76	\$275.10			
11%	\$32,625 M	\$29.25	\$351.18	\$311.88			





FINANCIAL PERFORMANCE

Comparison to current cost to travel on the corridor and move goods. Does not include future costs needed to mitigate congestion and environmental impacts.

THE COST TO DRIVE

Alignment	Freeway Driving Distance (miles)	Peak Period Driving Travel Time (minutes)	HSRT Travel Time (minutes)	Average Driving Cost To Own and Operate a Vehicle (in Southern California) (\$0.562/mile)	Average Driving Cost To Own and Operate a Vehicle (in the United States) (\$0.522/mile)	Average Driving Cost To Operate a Vehicle (in the United States) (\$0.151/mile)
West L.A. to Ontario Airport	57	93	32	\$32.04	\$29.76	\$16.62
LAX to Ontario Airport (via Union Station)	67	117	40	\$37.66	\$34.98	\$20.40
LAX to Palmdale Airport (via Union Station)	137	187	82	\$77.00	\$71.52	\$29.46
LAX to San Bernardino Airport (via Union Station)	90	148	52	\$50.59	\$46.99	\$27.20

Costs based on AAA's "Your Driving Costs 2006" report.







FINANCIAL PERFORMANCE

Comparison to current cost to travel on the corridor and move goods. Does not include future costs needed to mitigate congestion and environmental impacts.

TRUCK TRANSPORT COST

In and a life of the same of t	Roundtrip Cost Between the S	San Pedro Ports Complex and		
Itemized Charges	Palmdale	San Bernardino		
Drayage Fee per 40-foot Container	\$400	\$325		
Fuel Surcharge (FSC)	20%	20%		
Wait for Unloading (if needed)	\$60/hour after 1 hour free	\$60/hour after 1 hour free		
Dropoff/Bobtail (if needed)	\$200 + FSC	\$100 + FSC		
Chassis Rental (if needed)	\$100/day	\$100/day		
Non-Business Hour Delivery (if needed)	\$50	\$50		
Subtotal Cost per Container	\$480 - \$870*	\$390 - \$660*		

^{*}Note: Upper limit cost assumes drayage fee with fuel surcharge, dropoff charge, chassis rental and non-business hour delivery.







CONCLUSIONS

HSRT system is a financially competitive and viable solution for the region.

- The regional problems are eminent and strategically critical to the nation and the region.
- 2. The problems can only be resolved from a regional perspective. Incremental and partial solutions will not work.
- 3. The challenges must be solved on a financially viable basis. Otherwise it will be too costly.
- 4. HSRT is viable through multiple use and competitive with today's cost and significantly less than future costs with the ability to be financially robust.
- 5. HSRT can be implemented in stages, becoming more viable as additional lines and greater regional connectivity is achieved.





